

Natural Resources

Fish, Wildlife and Recreational Aids

(LFB Budget Summary Document: Page 405)

LFB Summary Items for Which Issue Papers Have Been Prepared

| <u>Item #</u> | <u>Title</u> |
|---------------|--|
| 2 | Licensing Automation (Paper #595) |
| 3 | Licensing Database Use and Fees (Paper #596) |
| -- | Parks Admission Fee Structure (Paper #597) |
| 5 | Boat, Snowmobile and ATV Registration Automation (Paper #598) |
| 6 | Lac du Flambeau Tribal Licensing and Registration Reciprocity (Paper #599) |
| 7 | Urban Wildlife Specialist (Paper #600) |
| 13 & 14 | State Snowmobile Recreation Program (Paper #601) |
| 18 | Recreational Boating Projects Earmarked (Paper #602) |
| -- | Lake Superior Commercial Fishing License Retirement (Paper #603) |
| -- | Municipal Dam Repair and Removal Grant Program (Paper #604) |
| -- | Minor Policy and Technical Changes (Paper #605) |

Agency: DNR - Fish, Wildlife & Recreation

Staff Recommendations:

(DNR is a base-level agency)

Paper No. 595: Alternative 2 *all*

Comments: I guess this automated license stuff is the wave of the future, and alt 2 seems to be a reasonable modification of the gov's proposal (see paragraphs 7 & 8).

Ultimately, however, it's sort of amusing to think of you and Jensen making these types of decisions. You may want to turn to the guidance of Decker and Ourada - for a better perspective on the "cast and blast" crowd.

DNR wants alt 2.

Paper No. 596: Part A -- Alternative 4 (no action needed)

Comments: This is a base-level agency, so no action is needed to maintain current law. It's not worth messing with the open records law for this type of record (i.e. it's not like these are medical or psych records) (see paragraphs 8 & 11).

In addition to alt (A)4, you may want to approve the language contained in alt (A)2 here, which would give people the option of not having their names sold to direct marketers, etc. As currently written, alt 2 only applies if alt (A)1 is passed. But, there's no reason you can't do it with alt A(4) as well.

DNR wants alt A(2).

Part B -- Alternatives 1 & 2 (together)

Comments: Might as well let the state recover some costs for helping telemarketing and direct mail companies make millions. (an appropriate analogy might be if legislators could charge lobbyists a small fee for all the work they do for them) (see paragraphs 7, 8 & 9). But, ultimately any alternative here is fine.

DNR wants alt B(2).

Paper No. 597: Alternative 1 *OK*

Comments: This seems like a reasonable idea (see paragraph 6), especially if the new automated system for hunting and fishing licenses is approved under paper #595.

DNR wants alt 1.

Paper No. 598: Alternative 2

Comments: Alt 2 seems to be the most appropriate funding scheme for the new computerized boat, snowmobile and ATV registration system. (see paragraphs 4, 5 & 6)

However, if the snowmobile advocates don't like this, alt 1 would also be ok - as long as it also includes a motion to delete the unneeded \$50,000 identified in paragraph 3. May want to ask FB to draft this in case alt 1 is adopted.

DNR wants alt 1.

Paper No. 599: Alternatives 1 & 3 (together)

Comments: The gov's plan (alt 1) plus the JFC review authority contained in alt 3 seems like a reasonable follow-up to the DNR/Indian Tribe agreement. (see paragraphs 3, 5 & 7)

But, again, I would defer to the up norte folks in the room.

DNR really wants alt 1 (Meyer wrote a letter on issue).

Paper No. 600: Alternative 4 (no action needed)

Comments: This whole urban wildlife position sounds sort of foolish. I think it's mostly for Junior League families in River Hills, etc., that don't like deer eating their flowers, or that think every barking dog is a coyote. You should let this \$ be spent on "real" wildlife damage claims, for farmers crops, etc. Also, there is a rather active West Allis conservation club guy who is all worked up against creating this position. Alt 3 would be the second best choice.

DNR wants alt 1.

Paper No. 601: Alternative 3(a)

Comments: Alt 3(a) sounds like the best alternative to give a modest boost in snowmobile aids, without using a bunch of GPR. But, defer to Decker and Ourada on this issue. This is the so-called 1% solution issue paper (which is debunked in paragraphs 6 & 7). (see paragraphs 12, 14 & 15 for support of alt 3(a))

DNR has no position here. The snowmobile clubs want alt 1 and alt 2(a)(b).

Paper No. 602: Alternative 3 (plus motion)

Comments: The Wisconsin Association of Lakes is opposed to statutorily enumerating projects, because it effectively repeals the Waterway Commission's authority (i.e. Fritz Ruf probably isn't thrilled either). Even more foolish is providing 100% of funding. The usual practice is to require a 50/50 match from the local project sponsor. This is especially appropriate for the 4 projects proposed to be enumerated -

*Jauch wants 2 - but want push on this
all others want 1 & 3*

*- Decker
Shibulski*

alt 1 - Jauch, who she

*Jauch
Shibulski
Decker is 5b - motion that w/ residents get trail
sticker w/ registration. Non residents
have to buy theirs*

*Shibulski wants 1 but doesn't expect
it to fly - Decker will
see next page follow him*

they are located in relatively wealthy counties. (see paragraphs 6, 7, 8 and 9)

Also, from a political standpoint, I've heard that Brancel is the person pushing for enumeration of the Petenwell Lake project. And it's my understanding they want this extravagant new boat launch and harbor for a once-a-year fishing contest/outing when a bunch of boats descend on the lake for a big drunken fish killing party. Hardly a good or appropriate use of these funds. If you don't stop this nonsense outright, maybe you could put this money aside and have more details provided to JFC about the project for a later 13.10.

Further, Ellis, Lasee and Ott are the people behind the other 3 projects proposed to be enumerated around Lake Winnebago (Ellis and Ott wrote a letter). No Dem district projects are worthy I guess.

The Lake Superior project is a little different however. There isn't enough local money in that area to fill a church collection plate. Also, this project fits in with a larger Lake Superior plan to provide more places of refuge for boaters (see paragraph 9).

Possible Motion: I've heard that Rep. Johnsrud privately agrees with you on the 4 enumerated projects, and isn't real hot on the Lake Superior enumeration either. However, he might be more comfortable with it if there was a statutory cap of \$1.5 million for the Lake Superior project. You may want to ask FB to draft this for you.

Another possible compromise with Jensen is to enumerate the 4 projects (plus Lake Superior), but only provide 50% of the project cost.

DNR wants alt 1.

Paper No. 603: Alternatives 2 & 3 (together) (but see comments)

Comments: This is the Lake Superior Commercial Fishing License buyout - Bob Chojnowski - issue. JCRAR put forth some recommendations, and that's why the issue is before you today. Alternatives 2 & 3 together punishes DNR a little bit for this shady deal/budgeting, and budgets for the payments in a more honest manner (see paragraphs 4, 6, 7 & 8).

Possible Burke Motion: In order to appease Chojnowski, I really think you should do a motion to terminate the agreements outright, just make sure it loses. I've talked to Jahr about it 3 times and Jauch knows why you need to do this - plus it makes a point to DNR. Also, I called Bugher to tip him off that you might be doing this motion, and he should get his votes lined up. I don't think it will pass, plus the state would probably get sued (and lose) if you terminate the agreements (see paragraph 9).

DNR wants alt 1.

Paper No. 604: Alternative 1 OK

Comments: Either alt 1(bonding) or alt 2(SEG) are fine. Sen Moen has requested that additional funding be provided for this program so a couple of projects in Monroe County can be taken care of. Also, the approval of this funding seems to be a fairly pro-forma exercise every budget (see paragraphs 1 & 3). DNR wants alt 1.

Burke Motions: Create a small dam removal category in the program and fund it - requested by the River Alliance. Barry has more info.

This is what Brian will propose to Jensen to accommodate Shibilski

Decker may have motion to kill the deal

Cowles motion - no more agreements or if > agreements have to come back to JFC for approval

Paper No. 605: Part A -- Approve Modification to Base
Part B -- Approve Modification to Base

For issues that FB didn't prepare a paper, **action is needed**, because this is a base-level agency.

Also, you are a co-sponsor of a Jensen motion relating to the Fox River (which Adelman supports), and a Cowles motion on lake classification that the Wis Assoc of Lakes wants.

*Keim motions on hunting licenses
cumulative preference points - Heren vats this*

Agency: DNR - Fish, Wildlife & Recreation

Staff Recommendations:

(DNR is a base-level agency)

Paper No. 595: Alternative 2 *Decker*

Comments: I guess this automated license stuff is the wave of the future, and alt 2 seems to be a reasonable modification of the gov's proposal (see paragraphs 7 & 8).

Ultimately, however, it's sort of amusing to think of you and Jensen making these types of decisions. You may want to turn to the guidance of Decker and Ourada - for a better perspective on the "cast and blast" crowd.

DNR wants alt 2.

Paper No. 596: Part A -- Alternative 4 (no action needed) *Decker motion*

Comments: This is a base-level agency, so no action is needed to maintain current law. It's not worth messing with the open records law for this type of record (i.e. it's not like these are medical or psych records) (see paragraphs 8 & 11).

In addition to alt (A)4, you may want to approve the language contained in alt (A)2 here, which would give people the option of not having their names sold to direct marketers, etc. As currently written, alt 2 only applies if alt (A)1 is passed. But, there's no reason you can't do it with alt A(4) as well.

DNR wants alt A(2).

Part B -- Alternatives 1 ~~& 2~~ (together)

Comments: Might as well let the state recover some costs for helping telemarketing and direct mail companies make millions. (an appropriate analogy might be if legislators could charge lobbyists a small fee for all the work they do for them) (see paragraphs 7, 8 & 9). But, ultimately any alternative here is fine.

DNR wants alt B(2).

Paper No. 597: Alternative 1 *2*

Comments: This seems like a reasonable idea (see paragraph 6), especially if the new automated system for hunting and fishing licenses is approved under paper #595.

DNR wants alt 1.

Paper No. 598: Alternative 2 *1 and 3*

Comments: Alt 2 seems to be the most appropriate funding scheme for the new computerized boat, snowmobile and ATV registration system. (see paragraphs 4, 5 & 6)

However, if the snowmobile advocates don't like this, alt 1 would also be ok - as long as it also includes a motion to delete the unneeded \$50,000 identified in paragraph 3. May want to ask FB to draft this in case alt 1 is adopted.

DNR wants alt 1.

Paper No. 599: Alternatives 1 & 3 (together)

Comments: The gov's plan (alt 1) plus the JFC review authority contained in alt 3 seems like a reasonable follow-up to the DNR/Indian Tribe agreement. (see paragraphs 3, 5 & 7)

But, again, I would defer to the up norte folks in the room.

DNR really wants alt 1 (Meyer wrote a letter on issue).

Paper No. 600: Alternative 4 (no action needed)

Comments: This whole urban wildlife position sounds sort of foolish. I think it's mostly for Junior League families in River Hills, etc., that don't like deer eating their flowers, or that think every barking dog is a coyote. You should let this \$ be spent on "real" wildlife damage claims, for farmers crops, etc. Also, there is a rather active West Allis conservation club guy who is all worked up against creating this position. Alt 3 would be the second best choice.

DNR wants alt 1.

Paper No. 601: Alternative ~~3(a)~~ *5b (Decker motion)*
replaces 1 and 5b

Comments: Alt 3(a) sounds like the best alternative to give a modest boost in snowmobile aids, without using a bunch of GPR. But, defer to Decker and Ourada on this issue. This is the so-called 1% solution issue paper (which is debunked in paragraphs 6 & 7). (see paragraphs 12, 14 & 15 for support of alt 3(a))

DNR has no position here. The snowmobile clubs want alt 1 and alt 2(a)(b).

Paper No. 602: Alternative 3 (plus motion) *1 + Cowles (GOP)*

Comments: The Wisconsin Association of Lakes is opposed to statutorily enumerating projects, because it effectively repeals the Waterway Commission's authority (i.e. Fritz Ruf probably isn't thrilled either). Even more foolish is providing 100% of funding. The usual practice is to require a 50/50 match from the local project sponsor. This is especially appropriate for the 4 projects proposed to be enumerated -

they are located in relatively wealthy counties. (see paragraphs 6, 7, 8 and 9)

Also, from a political standpoint, I've heard that Brancel is the person pushing for enumeration of the Petenwell Lake project. And it's my understanding they want this extravagant new boat launch and harbor for a once-a-year fishing contest/outing when a bunch of boats descend on the lake for a big drunken fish killing party. Hardly a good or appropriate use of these funds. If you don't stop this nonsense outright, maybe you could put this money aside and have more details provided to JFC about the project for a later 13.10.

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Possible Motion: I've heard that Rep. Johnsrud privately agrees with you on the 4 enumerated projects, and isn't real hot on the Lake Superior enumeration either. However, he might be more comfortable with it if there was a statutory cap of \$1.5 million for the Lake Superior project. You may want to ask FB to draft this for you.

Another possible compromise with Jensen is to enumerate the 4 projects (plus Lake Superior), but only provide 50% of the project cost.

DNR wants alt 1.

Paper No. 603: Alternatives 2 & 3 (together) (but see comments)

Comments: This is the Lake Superior Commercial Fishing License buyout - Bob Chojnowski - issue. JCRAR put forth some recommendations, and that's why the issue is before you today. Alternatives 2 & 3 together punishes DNR a little bit for this shady deal/budgeting, and budgets for the payments in a more honest manner (see paragraphs 4, 6, 7 & 8).

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DNR wants alt 1.

Paper No. 604: Alternative 1

- Harsdorf

Comments: Either alt 1(bonding) or alt 2(SEG) are fine. Sen Moen has requested that additional funding be provided for this program so a couple of projects in Monroe County can be taken care of. Also, the approval of this funding seems to be a fairly pro-forma exercise every budget (see paragraphs 1 & 3). DNR wants alt 1.

Burke Motions: Create a small dam removal category in the program and fund it - requested by the River Alliance. Barry has more info.

Paper No. 605: Part A -- Approve Modification to Base
Part B -- Approve Modification to Base

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Cowles - Lakes Classification
motion

Albers - Promotional Discounts
(reconsideration)

Ourada - ATV motion

Ourada - butterfly motion

Decker - ORW
(outstanding resource water)

Agency: DNR - Fish, Wildlife & Recreation

Staff Recommendations:

(DNR is a base-level agency)

Paper No. 595: Alternative 2

Comments: I guess this automated license stuff is the wave of the future, and alt 2 seems to be a reasonable modification of the gov's proposal (see paragraphs 7 & 8).

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Paper No. 596: Part A -- Alternative 4 (no action needed)

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Paper No. 605: Part A -- Approve Modification to Base
Part B -- Approve Modification to Base

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To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Licensing Automation (DNR -- Fish, Wildlife and Recreational Aids)

[LFB Summary: Page 406, #2]

CURRENT LAW

The Department of Natural Resources currently administers a hunting and fishing license sales system. Hunting and fishing licenses vary according to: (a) the type of species that may be pursued; (b) the method of pursuit; (c) the number of people for whom the license is valid; and (d) the time period for which the license is valid. In order to hunt or fish certain species (waterfowl, wild turkey, pheasant, inland waters trout, Great Lakes trout and salmon), a person must purchase a stamp in addition to a license.

Most licenses may be purchased directly from DNR or through county clerks and their agents (generally sporting goods stores), although certain licenses are only available through the Department. Issuance fees of 75¢ for licenses and 25¢ for stamps are included in the purchase price. Revenue from these issuance fees is divided between the agent (50¢ for a license and 15¢ for a stamp) and county clerks (25¢ for a license and 10¢ for a stamp).

GOVERNOR

Provide \$657,000 in 1997-98 and \$1,288,000 in 1998-99 from the fish and wildlife account of the conservation fund to complete development, implement and operate an Automated License Issuance System (ALIS). Require DNR to promulgate rules regarding the issuance of approvals, including: (a) the signature requirements, if any, for each type of approval; (b) the conditions, if any, under which a person may be issued an approval for another person; and (c) the authorized forms for stamps and the methods of attaching stamps to, or imprinting stamps

on, approvals. Allow the Department to: (a) directly issue approvals; (b) appoint, as an agent of the Department, the clerk of one or more counties to issue approvals and specify that clerks shall accept the appointment; and (c) appoint persons who are not employees of the Department to issue approvals as agents of the Department. Require DNR to promulgate rules for each type of hunting, fishing, combination and duplicate license that specify which persons appointed as agents will issue that type of approval. Allow DNR to promulgate rules regulating the activities of persons appointed as agents. Eliminate the current statutory authority of county clerks to issue these licenses (though a county clerk could be a sales agent under the bill). Sales agents would continue to retain an issuing fee of 50¢ per license and 15¢ per stamp. The 25¢ per license and 10¢ per stamp that had gone to county clerks would be retained by DNR. Allow DNR to publish emergency rules, without the finding of an emergency, within three months of budget enactment to implement these provisions.

DISCUSSION POINTS

1. DNR's current system for distributing licenses is a two-tiered system, under which DNR distributes licenses to county clerks, who in turn distribute them to sales agents. DNR indicates that the current system is problematic in terms of license distribution and revenue collection. The Department also indicates that the system is too paper-intensive and inconsistent across counties. The number and variation of licenses sold can also create problems for sales agents, and the current delivery system does not allow agents to respond to variation in license demand. The current system also does not allow DNR to keep customer records.

2. The 1993-95 biennial budget created a nine-member committee to recommend a streamlined, more cost-effective and functional licensing system to the DNR Secretary. The committee included representatives from the Wisconsin Counties Association, the County Clerks Association, the Conservation Congress, the Wisconsin Merchants Federation and the Departments of Transportation, Administration and Natural Resources. Among the committee's recommendations were that: (a) DNR should move forward in designing and implementing an improved point-of-sale retail sales system for issuing hunting and fishing licenses; (b) there should be a direct relationship between the retail vendors and DNR; and (c) the portion of the issuance fee now paid to county clerks should be redirected to support an improved system.

3. In the 1995-97 biennial budget, \$100,000 SEG from the conservation fund was appropriated for licensing automation, contingent upon the approval of release of the funds by the Joint Committee on Finance. Joint Finance released \$86,200 in December, 1995, to contract for the development of design specifications required to create the request for proposals associated with the automated system. The additional \$13,800 was released in March, 1996, to contract for technical work related to business system software.

4. The Governor's recommendation would provide funding for development (\$550,000), marketing (\$20,000) and the proof of performance prototype (\$300,000) in 1997-98

and for development (\$75,000), marketing (\$20,000) and operational charges (\$1.5 million) in 1998-99. The new costs resulting from ALIS are partially offset in the budget request by reduction of the existing costs of the licensing system, such as postage, forms and distribution (approximately \$307,000 in 1998-99). Beyond 1997-99, the Department estimates that costs of the existing paper system (forms, form distribution, data conversion) will continue to decrease, while most of the costs of ALIS (with the exception of operational charges) will decrease or be eliminated.

5. Under ALIS, a data terminal and printer would be placed at license sales locations. Hunting and fishing licenses could be printed by agents on demand. In addition, license sales information could be captured electronically and license revenue could be collected via electronic funds transfer. Given that all DNR licenses could be programmed into the system, agents would be able to sell all DNR licenses and stamps. Licenses would be printed on durable stock, and multiple licenses could be printed on one form. Agents could also be updated on new information through notices on an electronic bulletin board system. The delays of a paper system would be minimized, and license inventory control could be improved.

6. The Department indicates that the 1998 license year (beginning April 1, 1998 and ending March 30, 1999) would likely be a transitional one, utilizing both the current paper system and the new automated system as it comes on-line at various locations. The Department indicates that the proof of performance prototype would take place in the spring of 1998, with ALIS being implemented on a regional basis starting in July, 1998, and the system being fully implemented by the end of 1998. The 1999 license year is then envisioned as the first year of complete operations under ALIS.

7. ALIS would reduce the role of county clerks in the licensing process. SB 77 would eliminate the current statutory authority of county clerks to issue licenses. A county clerk could still be appointed as an agent under ALIS and thus be able to keep the portion of the license revenue retained by any other agent. DNR would retain the fees currently retained by county clerks. It would also allow for a direct relationship between DNR and sales agents and allow for additional state revenues to cover the cost of ALIS (approximately \$350,000 annually).

8. SB 77 would require county clerks to become license agents under ALIS if appointed by DNR to do so. The Department indicates that this requirement was included to allow for uniformity in the license issuance system. This could become important if the county clerks are given any responsibilities beyond those of other agents under ALIS as part of the implementation process. If all county clerks are not participating in the system, it could complicate the implementation and ongoing operation of ALIS if the county clerks are given an enhanced role in the system (for example, some county clerks have asked for a lead role in the distribution of supplies to sales agents and in determining who would be a sales agent in the county). Conversely, this requirement could be imposing a mandate on some county clerks who would rather not take on a role of a license agent. DNR indicated that while there is no general consensus among all county clerks on this issue, those clerks who were originally included on

the ALIS advisory committee supported the idea of county clerks being required to accept the appointment as license agent if it is offered.

9. The potential cost burden of the new system for agents is another issue. DNR indicates that, as part of the sales agreement, agents would likely pay a biweekly or monthly fee for the maintenance of ALIS terminals.

10. The Department indicates that it is unclear how the new licensing system will affect the number of agents selling licenses. The maintenance cost of the ALIS terminal could lead some smaller license agents who sell few licenses to drop out of the licensing system. On the other hand, agents who had not participated in the licensing system before because they felt the system was too paper-intensive or too time-consuming might choose to become agents given the greater convenience of licensing activities under an automated system, regardless of additional maintenance costs. The Department believes that an adequate number of agents will be a part of the sales system after the implementation of ALIS and that the new system would not affect the availability of license agents for hunters and fishers.

11. The full costs of the licensing system are still uncertain at this time. The Department has signed a letter of intent with the chosen vendor for the system, but is still seeking clarification of cost estimates. DNR would not enter into an agreement and the vendor would not begin work on the system until funding is certain. The later the effective date of the budget bill, the later the vendor would begin work on the system and the more likely it would be that some costs would be delayed. Based on worst-case cost projections, the Department estimates that an additional \$1.5 million might be necessary in the biennium for the initial implementation and operation of ALIS. (The fish and wildlife account will have an estimated balance of \$2.7 million as of June 30, 1999.) If funding approved for the biennium in the budget ultimately proves to be inadequate, DNR could request additional expenditure authority through separate legislation or through the s. 13.10 process.

12. In addition, the time frame for the development of the system could affect the costs. Full implementation of ALIS, and the corresponding costs of the system, depend on the progress of development of the system and the results from the proof of performance prototype. Should development take longer than expected or should unanticipated delays arise, the full costs of the system would be allocated over a longer period.

13. DNR is also pursuing the possibility of using federal Pittman-Robertson and Sport Fish Restoration funds for ALIS. Federal regulations prohibit the use of federal funds for the purpose of producing income, but income-producing activities incidental to accomplishment of approved purposes are allowable. In addition, the use of Pittman-Robertson or Sport Fish Restoration funds for law enforcement purposes is not eligible, while the use of such funds for harvest surveys for fish and wildlife population management, demographic surveys of hunters and fishers and public opinion surveys to improve recreational opportunities are approved uses of funding. Thus, to the extent that ALIS is viewed by federal officials more as an information

collection and database system and less of a law enforcement tool, the better the possibility of being able to use more federal funding for the system.

14. Only one state, Montana, has sought approval from the U.S. Fish and Wildlife Service for the use of federal funds for an automated license system. The Fish and Wildlife Service determined that 50% of the development and operations costs of the system were eligible for federal funds. (Federal funds can be used for up to 75% of eligible costs.) DNR indicates that there is no established federal standard for what percentage of an automated license system can be covered with federal money, but that federal fish and wildlife funds could be used for anywhere from zero to 75% of project costs, pending authorization. This would require DNR to determine what amount of federal funding would be used for ALIS and what amount would be used for other fish and wildlife purposes also funded through the grants, such as habitat work.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$657,000 in 1997-98 and \$1,288,000 in 1998-99 from the fish and wildlife account of the conservation fund to complete development, implement and operate an Automated License Issuance System (ALIS). Allow DNR to directly issue approvals or appoint sales agents. The current 25¢ per license and 10¢ per stamp that goes to county clerks would be retained by DNR. Allow DNR to publish emergency rules, without the finding of an emergency, within three months of budget enactment to implement these provisions. Require a county clerk to accept an appointment by DNR as sales agent.

| <u>Alternative 1</u> | <u>SEG</u> |
|----------------------------------|-------------|
| 1997-99 FUNDING (Change to Base) | \$1,945,000 |
| [Change to Bill] | \$0] |

2. Modify the Governor's recommendation to allow (rather than require) a county clerk to accept an appointment as a license sales agent under ALIS.

3. Maintain current law.

| <u>Alternative 3</u> | <u>SEG</u> |
|----------------------------------|----------------|
| 1997-99 FUNDING (Change to Base) | \$0 |
| [Change to Bill] | - \$1,945,000] |

Prepared by: Russ Kava

MO# Alt 2

| | | | |
|-----------|----------|----------|---|
| BURKE | <u>Y</u> | N | A |
| DECKER | <u>Y</u> | N | A |
| GEORGE | <u>Y</u> | N | A |
| JAUCH | <u>Y</u> | N | A |
| WINEKE | <u>Y</u> | N | A |
| SHIBILSKI | Y | <u>N</u> | A |
| COWLES | <u>Y</u> | N | A |
| PANZER | <u>Y</u> | N | A |
| | | | |
| JENSEN | <u>Y</u> | N | A |
| OURADA | <u>Y</u> | N | A |
| HARSDORF | <u>Y</u> | N | A |
| ALBERS | <u>Y</u> | N | A |
| GARD | <u>Y</u> | N | A |
| KAUFERT | <u>Y</u> | N | A |
| LINTON | <u>Y</u> | N | A |
| COGGS | <u>Y</u> | N | A |

AYE 15 NO 1 ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Licensing Database Use and Fees (DNR -- Fish, Wildlife and Recreational Aids)

[LFB Summary: Page 406, #3]

CURRENT LAW

Under open records laws, the Department of Natural Resources must release the identifying information (name, address and telephone number) of those people who apply for licenses or register recreational vehicles to anyone who requests it. The Department can charge only the cost of compiling and providing the information to the requestor.

GOVERNOR

Allow DNR to refuse to reveal the name, address or telephone number of any person to whom a hunting, fishing, combination or duplicate license is issued. Allow DNR to charge a fee for providing, or for the use of, such identifying information. No person who obtains or uses identifying information provided by DNR would be able to refer to DNR as the source of the information unless the person clearly indicates that the provision of or permission to use the information does not indicate DNR's knowledge of, involvement with or authorization of the person's activities. Any fee charged by DNR for this information would at least equal the amount necessary to cover the cost of collecting, storing, managing, compiling and providing the information. DNR would use the money collected for the identified costs. If the fees collected exceed the amount necessary to cover costs, DNR must use the excess for data systems, systems for issuing approvals and other informational activities.

DISCUSSION POINTS

1. DNR currently collects the name, address and phone numbers of people who apply for the special permits offered by the Department (such as the hunter's choice permit or the wild turkey hunting license) and for people registering all-terrain vehicles (ATVs), boats and snowmobiles with the Department. Similar information for most hunting and fishing licenses sold by agents throughout the state is not collected, because any paperwork with identifying information for these licenses is not currently collected by DNR.

2. DNR licensing staff indicate that the main users of this information are: (a) mail-order retailers seeking additional customers; (b) sport clubs seeking members for recruitment; and (c) direct marketing firms who purchase the information and reformat it for sale to other entities.

3. DNR generally charges a base fee of \$100 for a list, with an additional fee of 10¢ per page, \$10 per magnetic tape, or \$3 per 1000 printed labels. An additional fee of \$50 is charged for any special requests.

4. As part of licensing and registration automation, the Department will be gathering identifying information on the purchasers of every hunting and fishing license it sells. Information currently not collected on the purchasers of some of the Department's best-selling licenses (for example, resident deer, small game and fishing licenses) would be collected under the automated system.

5. Given the comprehensive information the licensing database would contain under automation, DNR expects the information in it to be considerably more attractive to those who now purchase it as well as other potential customers. DNR licensing staff expect the number of requests for information to increase under the new system.

6. DNR licensing staff and administration officials indicate that this recommendation was made in part to allow the Department to capture some of the revenue that would otherwise go to direct marketing firms that purchase data collected by the Department and generally sell the data to other customers at a profit.

7. Since the state pays the cost for the licensing infrastructure and the employee costs to collect and process the information in the database, it could be argued that the state should have the same opportunity as private industry to sell the lists to customers at market value or, at least, some amount over the nominal cost to compile and provide information.

8. On the other hand, information collected by any state agency can be viewed as part of the public domain and any attempts to profit from such information gathering could be viewed as inappropriate for the state. Higher fees could also make such records inaccessible to the general public or for organizations using it for other purposes, such as research.

9. The Committee could choose to allow DNR to waive a portion of the fee if the information is requested by other governmental agencies or nonprofit organizations as opposed to retailers or direct marketing firms who would profit from this information.

10. The provisions related to DNR's ability to refuse to release identifying information are intended to allow DNR to be more selective in what sort of information is given out to those who request it. DNR licensing staff indicate that the intent is to accommodate situations such as: (a) not giving out the identifying information for purchasers of youth licenses if the purpose of the request would appear to be for telemarketing purposes; (b) not giving out time-sensitive data (such as the 5-day periods for which a person's wild turkey license is valid) if this information could be used for criminal purposes; or (c) not distributing information on people who now write to the Department and request that personal information not be released.

11. Conversely, it could be argued that this information should still be open to public access since it has been collected by a state agency. Since license buyers are being given the ability to hunt or fish as part of their license purchase from DNR, the possibility of having their identifying information given out to another entity could be viewed as an implicit part of the license purchase.

12. On the other hand, license purchasers might have some expectation of privacy and might not want their name, address, telephone number or other identifying information given out to any other person or company as part of purchasing a DNR license. Thus, the Committee could require DNR to offer the option of not having identifying information given out as part of the new automated license system to accommodate their customers' wishes. DNR licensing staff indicate that it has not been decided whether this option would be offered under the automated system.

ALTERNATIVES TO BASE

A. Release of Identifying Information

1. Approve the Governor's recommendation to allow DNR to refuse to reveal the name, address, telephone number and other identifying information of any person to whom a hunting or fishing license is issued. No person who obtains or uses identifying information provided by DNR would be able to refer to DNR as the source of the information unless it is clearly indicated the provision of information does not indicate DNR's authorization of the person's activities.

2. In addition to Alternative A1, require the Department to offer license purchasers the option, at the point of sale or on an application, of not having their identifying information given to anyone as part of a data request.

3. Prohibit the Department from disclosing the name, address, telephone number and other identifying information of any person to whom a hunting or fishing license is issued.

4. Maintain current law. (DNR would be required to reveal the name, address, telephone number and other identifying information of any person to whom a hunting or fishing license is issued if the information is requested.)

B. Charges for Information

1. Approve the Governor's recommendation to allow DNR to charge a fee for providing, or for the use of, such identifying information that would at least equal the amount necessary to cover the cost of collecting, storing, managing, compiling and providing the information. DNR would use the revenues to cover costs and for related licensing activities.

2. In addition to Alternative B1, allow the Department to waive any portion of the fee it would otherwise charge if the request is made by a government agency or nonprofit organization.

3. Maintain current law. (DNR would charge a nominal fee for providing information.)

Prepared by: Russ Kava

MO# _____

| | | | |
|-----------|---|---|---|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |

| | | | |
|----------|---|---|---|
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |

AYE _____ NO _____ ABS _____

NATURAL RESOURCES -- FISH, WILDLIFE AND RECREATIONAL AIDS

Licensing Database Use and Fees (Paper #596)

Motion:

Move to require DNR to submit a bill draft to the Joint Committee on Finance and the Joint Committee on Information Policy relating to providing access to records containing personally identifying information in its new database of persons holding a hunting and fishing license. Require the draft to consider state open records policy, privacy concerns and use of access fees to fund DNR's use of information technology.

Note:

The motion would maintain current law (Alternatives A4 and B3), requiring DNR to reveal identifying information if requested and DNR would charge a nominal fee for the information.

| | | | |
|-----------|------|---|---|
| MO# | 1693 | | |
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |

AYE 16 NO 0 ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Parks Admission Fee Structure (DNR -- Forests and Parks)

[LFB Summary: Page 403, #20]

CURRENT LAW

The Department of Natural Resources charges a fee for admission into state parks, state forests and recreational properties. The fees currently charged are shown in the "Total Fee" column in the table below. Parks admission stickers are sold only by DNR, either at DNR offices or at the entrances to state parks, state forests and other recreational areas. Other agents are not able to sell parks stickers.

GOVERNOR

Change the admission fee structure for state parks, forests and other recreational properties effective January 1, 1998, to allow for automated park admission sticker sales consistent with the automation of sales of other DNR conservation licenses under SB 77. Under the bill, a person must pay both an admission fee and an issuing fee for a vehicle admission receipt, as shown in the table. The base admission fee would be reduced in the bill, so the total amount a person pays would be the same as under current law.

State Parks and Forests Vehicle Admission and Issuing Fees

| Resident | | | | Nonresident | | | |
|-------------------|--------------------------|------------------------|----------------------|-------------------|--------------------------|------------------------|----------------------|
| <u>Receipt</u> | <u>Admission Fee</u> | <u>Issuing Fee</u> | <u>Total Fee</u> | <u>Receipt</u> | <u>Admission Fee</u> | <u>Issuing Fee</u> | <u>Total Fee</u> |
| Annual | \$17.50 | \$0.50 | \$18.00 | Annual | \$24.50 | \$0.50 | \$25.00 |
| Additional Annual | 8.50 | 0.50 | 9.00 | Additional Annual | 12.00 | 0.50 | 12.50 |
| Daily Auto | 4.85 | 0.15 | 5.00 | Daily Auto | 6.85 | 0.15 | 7.00 |
| Daily Bus | 9.85 | 0.15 | 10.00 | Daily Bus | 13.85 | 0.15 | 14.00 |
| Senior Annual | 8.50 | 0.50 | 9.00 | | | | |
| Senior Daily | 2.85 | 0.15 | 3.00 | | | | |

Authorize DNR to appoint agents to issue vehicle admission receipts and collect admission and issuing fees, and allow agents to retain the issuing fees as compensation for providing the service. The Department would also be allowed to promulgate rules regulating the activities of persons authorized as agents. Also, allow DNR to promulgate rules on the display of vehicle admission receipts in addition to current statutory authorization to affix a sticker by its own adhesive to the lower left-hand interior corner of the windshield of a vehicle. Allow DNR to publish emergency rules, without the finding of an emergency, within three months of enactment to implement these provisions.

DISCUSSION POINTS

1. In 1995-96, admission fees generated \$3.2 million for the parks account of the conservation fund and \$1.3 million for the forestry account. Revenue from stickers sold at state parks or other DNR offices is deposited in the parks account, while revenue from stickers sold at state forests is deposited in the forestry account.

2. No estimate of the revenue effect of this provision was included in the bill. Administration and Department officials indicate that they initially anticipate a minimal revenue loss from the proposed change in fee structure. Many visitors to parks and forests would still be expected to purchase annual stickers when they make their initial visit in a given year. DNR would experience no revenue loss from stickers that the Department sells.

3. However, DNR indicates that there could, potentially, be a revenue gain by allowing other agents to sell park stickers. If a person purchases a hunting or fishing license from a non-DNR agent, it is possible that he or she might take that opportunity to purchase a parks sticker as well. In addition, point of sale information or discussions could also increase sales of daily admissions.

4. The issuing fees the agents would keep from the sale of annual park receipts (50¢) is the same amount agents currently keep from the sale of hunting and fishing licenses. The amount agents would keep from the sale of daily receipts (15¢) is the same as hunting and fishing stamps.

5. DNR staff also indicate that they would have approximately one year of experience under the proposed fee system and could request any needed adjustments to parks revenues or expenditures as part of their 1999-2001 biennial budget request.

6. Automation of the sales of parks receipts was proposed because: (a) the system could easily be programmed for such sales; (b) it would be an added convenience for some outdoor recreationists; (c) it could result in greater sales of all types of licenses and receipts sold by the Department; and (d) it would allow for standardization of license and receipt sales methods within the Department.

7. There is no requirement, however, that parks admissions be sold with other hunting and fishing licenses under the new automated system. If automated park admission receipt sales are not approved, DNR indicates that park stickers would continue to be sold at the individual properties and certain DNR offices.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to change the parks admission fee structure to create an admission fee and an issuing fee, maintaining the same overall fee as under current law.

2. Maintain current law.

MO# Alt 1

| | | | |
|-----------|----------------------------------|---|---|
| BURKE | <input checked="" type="radio"/> | N | A |
| DECKER | <input checked="" type="radio"/> | N | A |
| GEORGE | <input checked="" type="radio"/> | N | A |
| JAUCH | <input checked="" type="radio"/> | N | A |
| WINEKE | <input checked="" type="radio"/> | N | A |
| SHIBILSKI | <input checked="" type="radio"/> | N | A |
| COWLES | <input checked="" type="radio"/> | N | A |
| PANZER | <input checked="" type="radio"/> | N | A |

| | | | |
|----------|----------------------------------|---|---|
| JENSEN | <input checked="" type="radio"/> | N | A |
| OURADA | <input checked="" type="radio"/> | N | A |
| HARSDORF | <input checked="" type="radio"/> | N | A |
| ALBERS | <input checked="" type="radio"/> | N | A |
| GARD | <input checked="" type="radio"/> | N | A |
| KAUFERT | <input checked="" type="radio"/> | N | A |
| LINTON | <input checked="" type="radio"/> | N | A |
| COGGS | <input checked="" type="radio"/> | N | A |

Prepared by: Russ Kava

AYE 16 NO 0 ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Boat, Snowmobile and ATV Registration Automation (DNR -- Fish, Wildlife and Recreational Aids)

[LFB Summary: Page 407, #5]

CURRENT LAW

With certain exceptions, any operator of a boat, snowmobile or all-terrain vehicle (ATV) in the state is required to register the vehicle with the Department of Natural Resources (DNR).

GOVERNOR

Provide \$288,600 in 1997-98 and \$50,000 in 1998-99 from the conservation fund (\$260,000 in 1997-98 and \$45,000 in 1998-99 from the boat registration account and \$28,600 in 1997-98 and \$5,000 in 1998-99 from the ATV enforcement and administration account) to develop and implement an integrated, on-line, Windows-based boat, snowmobile and ATV registration processing system.

DISCUSSION POINTS

1. The boat registration system currently used by the Department is an older, on-line character-based system. Boat owners can receive boat registration renewals by mail or directly at a DNR office and the registration data base is simultaneously updated. Snowmobile and ATV registration is currently done manually. Any new or updated records are sent outside the Department to vendors for data entry and snowmobile and ATV owners can obtain renewal registrations only through the mail.

2. The Department is to receive three payments of \$43,100 from the information technology (IT) investment fund beginning in 1996-97 to help cover the development costs for the automation project. SB 77 provides for one-time funding in 1997-98 for the development (\$178,600) and deployment (\$100,000) of the system and related equipment purchases (\$10,000). Funding in 1998-99 would be used for ongoing equipment and operating network costs (\$50,000). The system would enable staff to perform every function related to registration, including verification of current status, registration and issuance of duplicate registrations. Under SB 77, system development would take about two years, with implementation beginning on January 1, 1999.

3. After the budget submission, DNR and DOA indicated that the workload impact of a number of projects would make it difficult to complete the automated registration system as originally planned. The Governor proposed moving the completion date for the Automated License Issuance System for hunting and fishing licenses ahead by one year. The Department also indicates that the agency's reorganization and other initiatives have created additional information technology demands. They have proposed spreading the development and deployment funds for the automated registration project (\$288,600) evenly over the two years and eliminating funds for operations (\$50,000), assuming the system would not be operational in the 1997-99 biennium.

4. If the Committee chooses to spread out the development and deployment costs and delay operational funding, it could also choose to require funding from the boat registration, snowmobile, and ATV enforcement and administration accounts in proportion to the number of transactions performed on each type of recreational vehicle.

5. In 1995-96, 27% of registration transactions involved snowmobiles. However, the Governor's recommendation provides no funding for this project from the snowmobile account. It could be argued that a proportionate share of the funding for registration automation should come from the snowmobile account. If the funding were to be provided in proportion to the number of transactions handled, it would be provided as follows.

Registration Transactions, 1995-96

| <u>Account</u> | <u>Transactions Handled</u> | | <u>System Development Costs</u> | |
|---------------------|-----------------------------|----------------|---------------------------------|-----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Annual</u> | <u>Biennium</u> |
| Boat Registration | 347,100 | 66% | \$95,700 | \$191,400 |
| Snowmobile | 139,000 | 27 | 38,300 | 76,600 |
| ATV Enf. and Admin. | <u>37,200</u> | <u>7</u> | <u>10,300</u> | <u>20,600</u> |
| Total | 523,300 | 100% | \$144,300 | \$288,600 |

6. Administration officials indicate that no funding for registration automation was recommended from the snowmobile account so as to maximize the funding available for snowmobile trail aids. However, funding snowmobile-related registration automation through boat and ATV registration fees could be viewed as inappropriate.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$288,600 in 1997-98 and \$50,000 in 1998-99 from the conservation fund (\$260,000 in 1997-98 and \$45,000 in 1998-99 from the boat registration account and \$28,600 in 1997-98 and \$5,000 in 1998-99 from the ATV enforcement and administration account) to develop and implement an integrated, on-line boat, snowmobile and ATV registration processing system.

| <u>Alternative 1</u> | <u>SEG</u> |
|----------------------------------|------------|
| 1997-99 FUNDING (Change to Base) | \$338,600 |
| [Change to Bill] | \$0] |

2. Consistent with the revised implementation schedule, provide \$144,300 annually (\$95,700 from the boat registration account, \$38,300 from the snowmobile account and \$10,300 from the ATV enforcement and administration account) for the development and deployment of the automated registration system. (Operating funds would be addressed in the 1999-2001 budget.)

| <u>Alternative 2</u> | <u>SEG</u> |
|----------------------------------|-------------|
| 1997-99 FUNDING (Change to Base) | \$288,600 |
| [Change to Bill] | - \$50,000] |

3. Take no action.

| <u>Alternative 3</u> | <u>SEG</u> |
|----------------------------------|--------------|
| 1997-99 FUNDING (Change to Base) | \$0 |
| [Change to Bill] | - \$338,600] |

Prepared by: Russ Kava

MO#

MO# Alt 2

| | | | |
|-----------|----------|---|---|
| BURKE | <u>Y</u> | N | A |
| DECKER | <u>Y</u> | N | A |
| GEORGE | <u>Y</u> | N | A |
| JAUCH | <u>Y</u> | N | A |
| WINEKE | <u>Y</u> | N | A |
| SHIBILSKI | <u>Y</u> | N | A |
| COWLES | <u>Y</u> | N | A |
| PANZER | <u>Y</u> | N | A |
| JENSEN | <u>Y</u> | N | A |
| OURADA | <u>Y</u> | N | A |
| HARSDORF | <u>Y</u> | N | A |
| ALBERS | <u>Y</u> | N | A |
| GARD | <u>Y</u> | N | A |
| KAUFERT | <u>Y</u> | N | A |
| LINTON | <u>Y</u> | N | A |
| COGGS | <u>Y</u> | N | A |

AYE 16 NO 0 ABS 0

NATURAL RESOURCES -- FISH, WILDLIFE AND RECREATIONAL AIDS

Licensing Database Use and Fees (Paper #598)

Motion:

Move to require DNR to submit a bill draft to the Joint Committee on Finance by January 1, 1998, and the Joint Committee on Information Policy relating to providing access to records containing personally identifying information in its new database of persons registering ATVs, snowmobiles or boats. Require the draft to consider state open records policy, privacy concerns and use of access fees to fund DNR's use of information technology.

Note:

The motion would maintain current law, requiring DNR to reveal identifying information if requested and DNR would charge a nominal fee for the information.

MO# 4050

| | | | |
|-----------|----------------------------------|---|---|
| BURKE | <input checked="" type="radio"/> | N | A |
| DECKER | <input checked="" type="radio"/> | N | A |
| GEORGE | <input checked="" type="radio"/> | N | A |
| JAUCH | <input checked="" type="radio"/> | N | A |
| WINEKE | <input checked="" type="radio"/> | N | A |
| SHIBILSKI | <input checked="" type="radio"/> | N | A |
| COWLES | <input checked="" type="radio"/> | N | A |
| PANZER | <input checked="" type="radio"/> | N | A |
| JENSEN | <input checked="" type="radio"/> | N | A |
| OURADA | <input checked="" type="radio"/> | N | A |
| HARSDORF | <input checked="" type="radio"/> | N | A |
| ALBERS | <input checked="" type="radio"/> | N | A |
| GARD | <input checked="" type="radio"/> | N | A |
| KAUFERT | <input checked="" type="radio"/> | N | A |
| LINTON | <input checked="" type="radio"/> | N | A |
| COGGS | <input checked="" type="radio"/> | N | A |

AYE 16 NO 0 ABS 0

Motion #4050

NATURAL RESOURCES -- FISH, WILDLIFE AND RECREATIONAL AIDS

Boat, Snowmobile and ATV Registration Automation (Paper #598)

Motion:

Move to require the Department of Natural Resources to offer people registering boats, snowmobiles and ATVs the option of not having their name, address, telephone number and other identifying information given to anyone as part of a data request.

Note:

Under current law, the Department would be required to reveal such information if it is requested.

MO#

3088

| | | | |
|-----------|---|---|---|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| GEORGE | Y | N | A |
| JAUCH | Y | N | A |
| WINEKE | Y | N | A |
| SHIBILSKI | Y | N | A |
| COWLES | Y | N | A |
| PANZER | Y | N | A |
| JENSEN | Y | N | A |
| OURADA | Y | N | A |
| HARSDORF | Y | N | A |
| ALBERS | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| LINTON | Y | N | A |
| COGGS | Y | N | A |

AYE 8 NO 8 ABS 0

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Lac du Flambeau Tribal Licensing and Registration Reciprocity (DNR -- Fish, Wildlife and Recreational Aids)

[LFB Summary: Page 407, #6]

CURRENT LAW

In 1837, the Lac du Flambeau band of the Lake Superior Chippewa and other Chippewa bands signed a treaty ceding roughly the northern one-third of the state of Wisconsin to the United States government in exchange for money and trade goods. The treaty also stated that the privilege of hunting and fishing upon the lands, rivers and lakes in the ceded territory is guaranteed to the bands. As part of a federal court ruling, the Chippewa bands in the state set annual harvest quotas for off-reservation lakes in the ceded territory not to exceed one-half of the total allowable catch. To keep combined tribal and sport fisher harvests from exceeding acceptable levels, the Department of Natural Resources sets special bag limits based on the harvest quotas the Chippewa bands declare for each lake.

DNR administers a registration program for boats, snowmobiles and all-terrain vehicles (ATVs). DNR may enter into a reciprocal agreement with a federally recognized American Indian tribe in this state to exempt from state registration requirements boats, snowmobiles and ATVs owned by tribal members and registered under a program established by the tribe if the tribe requests it and the registration program: (a) requires that boats, snowmobiles and ATVs display decals or identification numbers showing valid tribal registrations; (b) utilizes registration decals and certificates substantially similar to those used in state registration programs; (c) employs a sequential numbering system that includes a series of letters or initials that identify the tribe or band issuing the registration; (d) provides registration information to the state by transmitting any registration activities to the state within one working day of the activity or by establishing a 24-hour per day data retrieval system; and (e) provides reciprocal exemptions from the tribe's

registration requirements for boats, snowmobiles or ATVs registered by the state. Currently, the Lac du Flambeau and the Bad River bands of the Lake Superior Chippewa have established such programs.

Further, under separate provision, the Secretary of the Department of Transportation, with the approval of the Joint Finance Committee, may enter into a reciprocal registration exemption agreement with the governing band of any federally recognized Indian tribe or band. The reciprocal agreement may exempt designated classes of motor vehicles registered by the tribe or band from the registration requirements of the state if: (a) the vehicle carries a registration plate showing valid registration by the tribe or band; and (b) the tribe or band registering the vehicle allows reciprocal privileges to similar classes of vehicles registered in this state under conditions substantially as favorable to this state as to the tribe or band. Currently, the Menominee tribe and the Lac du Flambeau band have agreements with DOT.

GOVERNOR

Generally, provide a framework for an agreement with the Lac du Flambeau band of the Lake Superior Chippewa under which the band may agree to limit its treaty-based, off-reservation fishing rights in return for the ability to issue and retain revenues from fishing licenses and snowmobile and ATV registrations issued by the band on their reservation land. The provisions for license and registration issuance would apply only if: (a) the Lac du Flambeau band agrees to comply with the statutory provisions; (b) the agreement includes the manner in which the band will limit its treaty-based right to fish outside the reservation; and (c) the fees collected by the band for fishing licenses be used for fish management; snowmobile registration fees be used for snowmobile registration, regulation, trails and facilities; and ATV registration fees be used for ATV registration, regulation, trails and facilities.

The band would charge the same fees for fishing licenses and ATV and snowmobile registrations that DNR does. The band would not be allowed to issue or renew fishing licenses or ATV or snowmobile registrations in conjunction with discount coupons or as part of a promotion or merchandising offer. The effective period and conditions for fishing licenses and for snowmobile and ATV registration certificates would be the same as the licenses or registrations sold by DNR. The band would only be able to issue fishing licenses or ATV or snowmobile registration certificates to applicants who appear in person on the reservation.

The band would be required to submit an annual report to DNR notifying it of the number of each type of license and registration that the band issued.

Fishing and Sports Licenses. The band would be authorized to issue the following fishing licenses and stamps: (a) nonresident annual; (b) nonresident 15-day; (c) nonresident 4-day; (d) nonresident annual family; (e) nonresident 15-day family; (f) 2-day Great Lakes sports; (g) resident annual; (h) husband and wife; and (i) inland waters trout stamps. The band would also

be allowed to issue resident and nonresident sports (combination fish, small game and deer gun) licenses. The band would retain all fees collected from these licenses, with the exception of the sports licenses. For sports licenses, the band would retain only the amount equal to the fee for an annual fishing license and would remit the balance to DNR. The Department could also choose to pay the band the money received from the issuance of the specified fishing and sports licenses sold by agents other than the band at locations within the reservation. A sum sufficient SEG appropriation would be created for such a payment.

Snowmobile and ATV Registrations. The Lac du Flambeau band would also be authorized to issue registration certificates for public or private use for ATVs and for snowmobiles equivalent to the registration certificates issued by DNR. The band would be able to renew and transfer registration certificates that either the band or DNR has issued. The band would be able to issue duplicates of only those certificates it is allowed to issue. The ATVs and snowmobiles registered by the Lac du Flambeau would be included in the gas tax transfers to the snowmobile and ATV trail aids accounts.

DISCUSSION POINTS

1. The basis for the language included in SB 77 is letters by the DNR Secretary and the Tribal Chairman in April, 1996, summarizing discussions between the Department and the Tribe. The discussions outlined an agreement under which the Tribe would, starting in 1997, establish walleye declarations that would allow the state to maintain bag limits of three walleye on certain northern Wisconsin lakes. In return, the Tribe would be able to issue fishing licenses and snowmobile and ATV registrations. A more detailed agreement was signed by the DNR Secretary and the Tribal Chairman on April 10, 1997.

2. The April, 1997, agreement allows the Lac du Flambeau to sell fishing licenses to anyone appearing on the reservation and retain the revenue from the sales made by the band. The Department will also remit to the band the revenues received by non-tribal license vendors for sales on the reservation. The tribal licenses will be recognized as a valid Wisconsin fishing license anywhere in the state. Likewise, the tribe will recognize state licenses as valid on reservation waters. The band will be able to issue ATV and snowmobile registrations for public and private use equivalent to those issued by DNR. The band would charge the same fees for licenses and registrations that DNR does, and the effective period and conditions for licenses and registrations would be the same as the licenses and registrations sold by DNR. The fees collected by the band for fishing licenses would be used for fish management. Snowmobile and ATV registration fees would be used for snowmobile and ATV-related purposes.

3. The agreement allows for daily walleye bag limits of three fish on the 82 lakes declared for spearfishing harvest this year by the Lac du Flambeau band. Other Chippewa bands have agreed to keep their 1997 declarations on lakes jointly-declared with the Lac du Flambeau consistent with a three walleye bag limit for sport fishers. DNR argues the agreement benefits

the state and the tourism industry by providing stability for sport fishers and communities dependent on sportfishing-related tourism and directing funds toward the maintenance and enhancement of lakes and streams on the reservation.

4. As part of the agreement, DNR has agreed to pay the band \$100,000 by August 1, 1997, in lieu of license revenues the tribe could have received this season. The funds would be used to supplement tribal investments to fund the reconstruction of the Lac du Flambeau Tribal Fish Hatchery on the reservation for increased production of walleye, muskellunge and trout. DNR indicates that this payment will likely be made in 1997-98 from unobligated federal Sport Fish Restoration money. The Department indicates that they would not be foregoing any planned projects in the short-run to make the payment. DNR is legally obligated to make this payment whether the statutory changes are approved by the Legislature or not.

5. DNR indicates that the agreement negotiated with the Lac du Flambeau is final and that any substantive changes made by the Legislature could affect relations with the band, and, possibly, the walleye bag limits the band has set. The agreement states that "both parties agree that when this agreement is submitted to the Legislature for approval in the state's 1997-1999 budget, that this agreement must be approved in its entirety." The Department believes that, while certain details of the agreement might be able to be changed with minimal disruption, any substantive changes to the agreement as signed could void the entire agreement.

6. In the letter of agreement from April, 1996, the Tribal Chairman indicated the understanding among all parties that "the terms and conditions of this agreement are completely null and void if the Wisconsin State Legislature does not support some parts of this action."

7. It could be argued that DNR inappropriately limited legislative input by fully negotiating and signing an agreement before the proper statutory changes were made to accommodate it. The Department would have to seek further changes in statutory language to make another agreement. It is not clear what would prevent DNR from again negotiating an agreement and seeking legislative and statutory authority after-the-fact. This is in contrast to provisions allowing registration of snowmobiles, ATVs and boats owned by tribal members. In that instance, statutory authority was provided prior to the state entering into agreements with any tribes. To prevent DNR from entering into agreements without the appropriate statutory authority in the future, the Committee could require Joint Finance approval under s. 13.10 of any future agreements between DNR and an Indian tribe to limit harvests in exchange for some concession by the state before the state could formally enter into the agreement.

8. The Department indicates that statutory changes were not sought prior to the budget given that: (a) it would take time for the Department and the band to work out the details based on the April, 1996, agreement outlined between the DNR Secretary and the Tribal Chairman; and (b) the Department indicates they wanted to have an agreement in place in time for the 1997 fishing season. Thus, the Department felt that the earliest it could ask for approval was in the 1997-99 biennial budget request. In addition, since the appropriation structure was

affected, DOA advised the Department to include this request as part of the budget. However, separate emergency legislation could have been advanced in January, 1997, authorizing the agreement.

9. Currently, there are four agents located on the Lac du Flambeau reservation that sell fishing licenses and stamps. Approximately \$100,000 in license sales revenue annually is realized by the Department from these agents' sales. Assuming the demand for licenses sold on the reservation remains constant, fish and wildlife account revenue would decrease by \$100,000, either because: (a) the band would sell licenses and retain the revenue; or (b) DNR would pay the band the money received from the issuance of the specified fishing and sports licenses sold by non-tribal agents at locations within the reservation.

10. As long as the revenue from the sale of fishing licenses is utilized for fish-related activities, the agreement between DNR and the Lac du Flambeau would not jeopardize the state's receipt of federal Sport Fish Restoration funds.

11. Since there is very limited data on the number of snowmobiles and ATVs that would be registered under the tribal system, it is less clear how much revenue the state would lose as a result of a Lac du Flambeau tribal registration system. Based on extrapolations of the fishing license revenue resulting from sales on the reservation, the state may lose roughly \$12,000 annually in snowmobile registration revenue and \$3,000 annually in ATV registration revenue as a result of the tribal registration system.

12. Any tribal boating registration system would have to meet the provisions of and be approved by the federal government. Under federal law, the U.S. Coast Guard has the authority to approve state systems for the numbering of boats using the waters of the United States. As defined in federal law, "state" does not include Indian tribes. In the agreement between DNR and the band, the two parties agree that they may introduce subsequent legislation authorizing tribal boat registration, either before or after Coast Guard approval of tribal registration programs. SB 77 would not authorize a tribal boating registration system.

13. The Department indicates it is not in negotiations with any other tribe or band for a similar agreement to allow for license and registration sales in return for reduced bag limits. The DNR Secretary has stated, however, his belief that the proposed plan could be a framework for agreements with other bands in the future. The language in SB 77, however, is specific only to the Lac du Flambeau. If the Committee feels that such arrangements would be an appropriate method for securing higher bag limits for non-tribal members on lakes in the ceded territory, it could broaden the language in SB 77 to include any tribe in Wisconsin, giving DNR greater flexibility to conduct negotiations in the future.

14. This would, however, reduce legislative discretion in any future agreements as they are being negotiated and approved. In addition, the Department may still have to get legislative approval for any future agreements that go beyond the framework detailed in SB 77.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide a framework for an agreement with the Lac du Flambeau band under which the band may agree to limit its treaty-based, off-reservation fishing rights in return for the ability to issue and retain revenues from fishing licenses and snowmobile and ATV registrations issued by the band on their reservation land.

| <u>Alternative 1</u> | <u>SEG</u> |
|----------------------------------|--------------|
| 1997-99 REVENUE (Change to Base) | - \$230,000 |
| [Change to Bill | - \$230,000] |

2. Modify the Governor's recommendation by changing the proposed statutory language to include any Wisconsin-based band or tribe rather than limiting it to the Lac du Flambeau band.

| <u>Alternative 2</u> | <u>SEG</u> |
|----------------------------------|--------------|
| 1997-99 REVENUE (Change to Base) | - \$230,000 |
| [Change to Bill | - \$230,000] |

3. In addition to Alternative 1 or 2, require any agreements authorizing or recognizing tribal hunting or fishing licenses, or recreational vehicle registrations, to non-tribal members in exchange for fish or game harvest limits to come before the Joint Committee on Finance for approval under s. 13.10 before they are signed.

4. Maintain current law (the agreement with the Lac du Flambeau tribe could not be implemented, although a \$100,000 one-time payment would still be made by DNR in 1997).

Prepared by: Russ Kava

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Alt 1 and 3

| | | | |
|-----------|----------------------------------|---|---|
| BURKE | <input checked="" type="radio"/> | N | A |
| DECKER | <input checked="" type="radio"/> | N | A |
| GEORGE | <input checked="" type="radio"/> | N | A |
| JAUCH | <input checked="" type="radio"/> | N | A |
| WINEKE | <input checked="" type="radio"/> | N | A |
| SHIBILSKI | <input checked="" type="radio"/> | N | A |
| COWLES | <input checked="" type="radio"/> | N | A |
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| | | | |
| JENSEN | <input checked="" type="radio"/> | N | A |
| OURADA | <input checked="" type="radio"/> | N | A |
| HARSDORF | <input checked="" type="radio"/> | N | A |
| ALBERS | <input checked="" type="radio"/> | N | A |
| GARD | <input checked="" type="radio"/> | N | A |
| KAUFERT | <input checked="" type="radio"/> | N | A |
| LINTON | <input checked="" type="radio"/> | N | A |
| COGGS | <input checked="" type="radio"/> | N | A |